



Update on Administrative Furlough

20 February 2013



Notification — Potential Administrative Furlough

- Congressional notification of administrative furlough
 - DoD will complete notice to Congress 45 days prior to effective date of furlough
 - Potential administrative furlough effective late April
 - Furlough will be ~22 non-consecutive days; no more than 176 hours total
- Administrative vs. shutdown furlough
 - Administrative furlough is “planned” to save money – virtually all employees are subject to furlough
 - Shutdown/emergency furlough is “unplanned” due to lapse in funding – mission critical employees excepted
- On average, with 20% of the workforce furloughed each day, we will be operating at 80% capacity and manning coverage across the Marine Corps

Employees Subject to Administrative Furlough



- **Nearly all employees subject to furlough - minimal exceptions**
 - **Civilians deployed in combat zone**
 - **Safeguarding of life or property - only to extent needed to prevent unacceptable risk or catastrophic gaps in the safeguarding and protection of life or property***
 - **Employees exempt by law (Presidential appointees)**
 - **Foreign nationals only if furlough exceptions are**

*Note: only **rare** exceptions; will require HQMC or higher level approval

Limited Options Re: National Fiscal Goals



- Budget Control Act of 2011 –
Sequestration
 - March 1 deadline
- Continuing resolution
 - March 27 expiration
- Debt ceiling limit
 - Shifted to May 18

Related across-the-board budget reductions for DoD has led to the reality that administrative furloughs of the civilian workforce may be required



Notification & Schedule

- Notification process (TBD)
 - Congress — ~20 February
 - Unions — ~20 February
 - Impact & Implementation bargaining required (30 days) — 53% of civilian appropriated fund workforce represented by 19 bargaining units
 - Proposal letter on furlough given to employees
 - At least 30 days' notice - ~15 March
 - Signed by designated proposing official
 - Hand-delivered or certified mail
 - Furlough decision letter given to employees
 - Presented before effective date of furlough - late April
 - First furlough day must be at least 30 days after Notice
 - Signed by designated deciding official
 - Hand-delivered or certified mail

Scheduling of furlough days is subject to impact and implementation and possibly other local bargaining obligations



General Furlough Planning

- Limited to up to 176 hours - ≤ 22 workdays through end of FY
 - ~16 hours/pay period
- Within guidance we receive and promulgate, commands determine hours/time dependent upon mission requirements
 - Commanders may delegate the coordination and scheduling of furloughs to carry out mission requirements
 - Note: scheduling of furlough days is subject to impact and implementation and possibly other local bargaining obligations
- Use of contract funding or premium pay (comp or overtime) to offset furloughs is prohibited
- Inherently governmental work cannot be transferred to contractors
- Furloughed employees are prohibited from working from home or on-site on furlough days — employees may not volunteer
- Furloughed employees may not substitute paid leave or other time off for furlough time

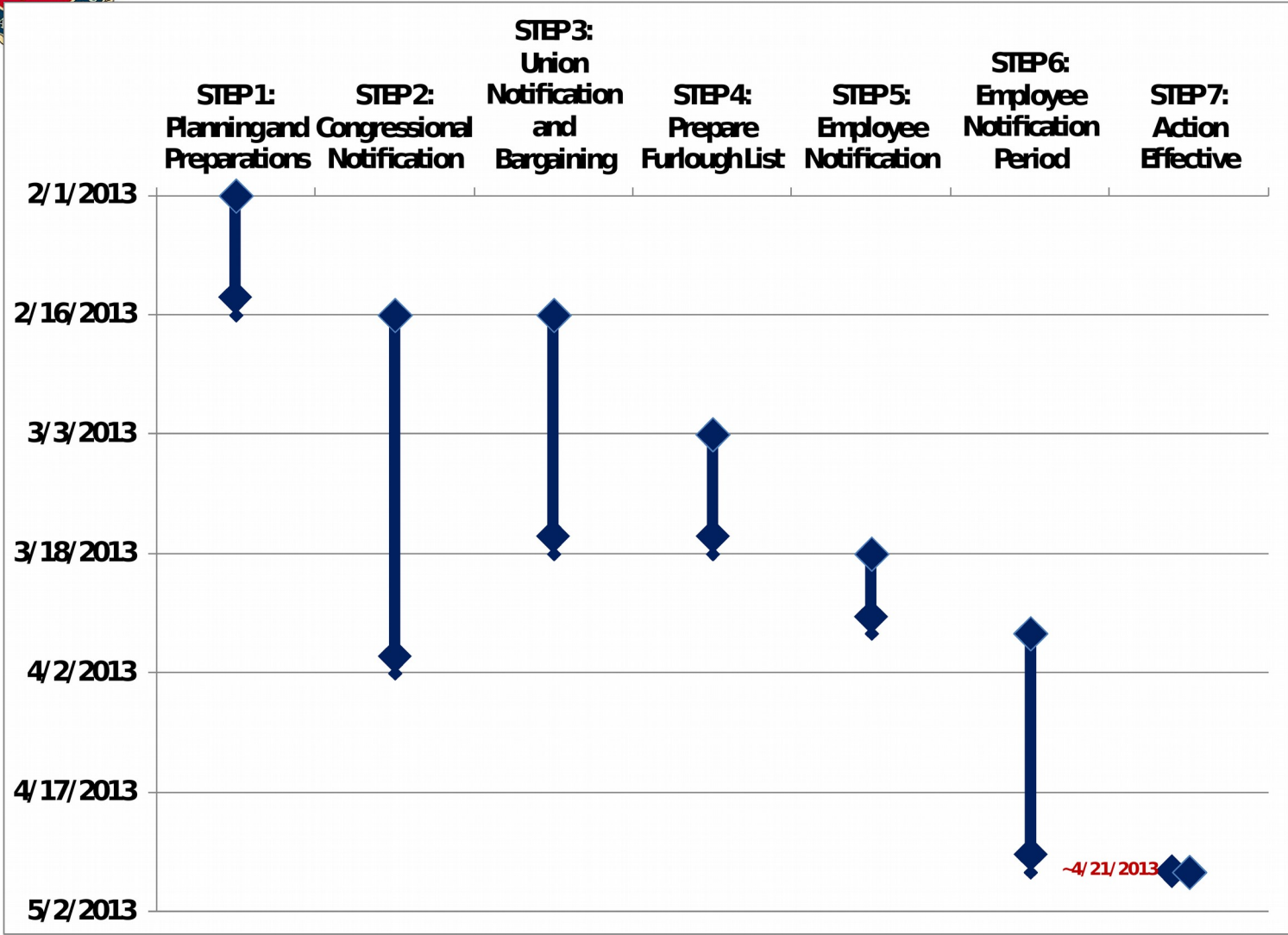


Furlough Information - Employees

- 20% reduction in base & locality pay through end of FY
 - If pay is insufficient to cover employee deductions (refer to Order of Precedence for deduction, <http://www.servicelocator.org/OWSLinks.asp>)
- Benefits & TSP – varies and depends on plan (*see backup slides*)
- Leave accrual - employees will not earn annual and sick for each pay period in which they have been furloughed for a total of 80 hours (2 opportunities at 80 and 160 hours)
- Within Grade Increases – depends on length of furlough and employee waiting period
- Holidays – if a furlough includes both the last workday before the holiday and the first workday after the holiday, employees will not receive holiday pay
- Outside employment may be permitted if the employee and the outside employment complies with federal ethics requirements. In some instances, a written opinion and approval from your ethics official may be required.
- Severance pay — no
- Unemployment compensation — depends on state requirements



Notional Timeline - Furlough





Keeping Faith

- Civilian workforce incredibly talented and dedicated
 - Support available 24/7 – contact info posted at www.chaplaincare.navy.mil/
- Civilian impact from fiscal uncertainty and potential furlough
 - Fiscal hardship for employees dedicated to public service
 - On average, furloughs will result in 80% capacity and manning
- Leadership committed to keeping employees informed
 - FAQs
 - Fact sheets
 - Briefings
 - Information and updates posted at www.manpower.usmc.mil/furlough



Back Up Slides



Benefits Coverage & Entitlements Continue

- Federal Employees' Group Life Insurance (FEGLI) (reduced salary equals reduced coverage & premiums)
- Federal Employees' Health Benefits (FEHB) (premiums do not change if reduced salary)
- Federal Employees' Dental and Vision Insurance Program (FEDVIP)
 - Premiums do not change if reduced salary
 - After two consecutive pay periods of nonpayment, BENEFEDS will bill employee direct
- Federal Long Term Care Insurance Program (FLTCIP)
 - Premiums do not change if reduced salary
 - After three consecutive pay periods of non payment, contractor will bill employee direct
- Federal Flexible Spending Accounts (FSAFEDS) (if adjusted salary sufficient to cover contributions)
 - Reimbursements continue for eligible health care expenses if allotment is withheld
 - If health care allotments are not withheld, employee remains enrolled, but eligible expenses will not be reimbursed until allotments are successfully restarted
 - Reimbursement continues for eligible dependent care expenses if allotment is withheld
 - If dependent care allotments are not withheld, employee is reimbursed up to whatever balance is in the employee's dependent care account, as long as the expense incurred during the non-pay status allows the employee (or spouse if married) to work, look for work or attend school full-time.
 - If allotments are not withheld, allotments are recalculated over the remaining pay periods to match the employee's annual elected amount.



TSP Reminders

- If elected a percentage of basic pay, contribution will be based on the reduced basic pay earned
- If elected a whole dollar amount, the amount will be withheld; if amount exceeds the net pay for the pay period, no employee contribution will be made
- Agency Automatic (1%) Contributions for FFERS employees will be determined using the reduced basic pay earned
- Agency Matching Contributions for FERS employees will be determined using the earned basic pay
- If an employee is furloughed for an entire pay period, the TSP employee and agency contributions are not made for that pay period
- Loan payments will be withheld providing sufficient salary is available; loans are not in default until the employee has missed more than 2½ payments - <https://www.tsp.gov/PDF/formspubs/oc95-4.pdf>